

ALABAMA MEDICAID AGENCY
ADMINISTRATIVE CODE

CHAPTER 560-X-20
THIRD PARTY

560-X-20-.01 Third Party Program.

(1) General.

(a) The purpose of the Third Party Division of Alabama Medicaid Agency is to fulfill the requirements pertaining to third party liability and to ensure that Medicaid is the payer of last resort.

(b) In general third party resources are primary to Medicaid.

(c) Federal law requires that state Medicaid agencies take all reasonable measures to identify third party resources which may have legal/fiscal/contractual liability as a result of medical assistance furnished to a Medicaid recipient.

(d) Where third party liability is known or reasonably expected, the Medicaid Agency ensures that Providers collect third party resources prior to filing Medicaid.

(e) Where Medicaid payment has not been reduced by third party benefits, the Medicaid Agency is required to take reasonable measures to obtain reimbursement from third parties for the cost of medical assistance furnished to Medicaid recipients to the extent that the third party may have legal/fiscal/contractual liability. This may be done through post payment billing to the third party or through recoupment of Medicaid payment from the provider who must then file with the primary payor.

(f) Claims for services which are filed with Medicaid and paid in full or in part by a third party will be applied against program benefit limitations.

(2) Definitions

(a) Third Party - Any individual, entity or program that is or may be liable (contractually or otherwise) to pay all or part of the medical cost of any medical assistance furnished to a recipient under a State plan. A third party benefit may be available at any time through contract, court award, judgment, settlement, or agreement.

(b) Private insurer - a third party which may be:

1. Any commercial insurance company offering health or casualty insurance to individuals or groups, including both experience-rated insurance contracts and indemnity contracts.
2. Any profit or nonprofit prepaid plan offering either medical services or full or partial payment for the diagnosis or treatment of an injury, disease, or disability.
3. Any organization administering health or casualty insurance plans for professional associations, unions, fraternal groups, employer-employee benefit plans, and any similar organization offering these payments or services, including self-insured and self-funded plans.
4. Any health insurer, including group health plans, as defined in Section 607(1) of the Employee Retirement Income Security Act of 1974, self-insured plans, service benefit plans, managed care organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service.

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Statutory Authority: Code of Ala. 1975, §22-6-6, 42 CFR §§432,433 and 447.20; Section 1902(a)(25), Social Security Act.

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